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October 26, 2005

ELECTRONICALLY FILED

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554


Re: Requirements for Digital Television Receiving Capability, ET Docket No. 05-24

Dear Ms. Dortch:

On October 25, 2005, on behalf of Philips Electronics North America Corporation ("Philips"), Larry Sidman and David Siddall met with Heather Dixon, Legal Advisor to Chairman Martin. The purpose of this meeting was to discuss the Commission's proposals in the Further Notice of Proposed Rulemaking in the above-captioned proceeding. The substance of the discussion was consistent with Philips' Comments and Reply Comments filed in this proceeding and with two documents provided during the meeting which are attached to this letter.

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this letter and the accompanying documents are being filed in the above-captioned docket and copied by electronic mail to Ms. Dixon.

Respectfully submitted,



David R. Siddall
for PAUL, HASTINGS, JANOFSKY & WALKER LLP
Counsel to Philips Electronics North America Corporation

Attachments (2)

cc: Heather Dixon, Legal Advisor to FCC Chairman Martin

ACCELERATION OF DTV RECEPTION CAPABILITY IN PERIPHERAL TV EQUIPMENT SUCH AS DVD RECORDERS IS NOT WARRANTED BECAUSE OF THE STATE OF TECHNOLOGY AND BECAUSE IT WOULD HAVE VIRTUALLY NO IMPACT ON THE DTV TRANSITION

MAINTAINING THE CURRENT JULY 1, 2007 DTV TUNER DATE FOR PERIPHERAL TV DEVICES IS APPROPRIATE IN LIGHT OF TECHNOLOGICAL LIMITATIONS.

- The state of technology for DVD recorders and combination DVD player/VCRs has not yet advanced to high definition television programming recording because of uncertainty surrounding a high definition disc format. Such uncertainty is expected to persist for a year or more.
- The U.S. House of Representatives Committee Print released on October 20, 2005 does not include peripheral equipment in its accelerated March 1, 2007 deadline for sets with screens sized 13-24 inches.
- From a technology perspective, it makes no sense to mandate DTV reception capability in equipment that does not yet have underlying high definition television program recording capability.
- As Panasonic noted in its Reply Comments, the July 1, 2007 date for integration of DTV reception capability in these peripheral DTV products is most consistent with producing and selling high quality and affordable next generation HDTV recording products.

ACCELERATION OF THE JULY 1, 2007 DATE FOR PERIPHERAL PRODUCTS WILL NOT ADVERSELY AFFECT THE DTV TRANSITION.

- Peripheral TV products, such as digital video recorders and DVD recorders, also are peripheral to the DTV transition. The primary focus is on digital television sets. Analog-to-digital converter boxes will not be used for analog peripheral devices.
- The importance of peripheral products to the DTV transition is reduced even further because more than 85 percent of American TV households receive their television from cable or satellite.
- Acceleration of the deadline to March 1, 2007 for such peripheral devices would force the market toward production of tunerless recording devices, relying on a cable or satellite set top box to feed the signal.

ACCELERATION OF THE DTV TUNER MANDATE IN PERIPHERAL TV PRODUCTS TO MARCH 1, 2007 IS INCONSISTENT WITH RETAILERS' PRACTICES

- The focus of retailers during the Winter season is selling products.
- It is completely at odds with customary retailing practices to establish a DTV reception integration deadline that will have the effect of causing retailers to reset their floors during the busy Winter season.

**MARCH 1, 2007 IS THE EARLIEST ACHIEVABLE DATE FOR
ALL TV RECEIVERS 13" AND LARGER TO INCLUDE A DTV TUNER**

- Receiver manufacturers support the FCC's and the Congress' policy goal of integrating digital reception capability into TV receivers as quickly as reasonably practicable to hasten the conversion to DTV and free up valuable spectrum for public safety and advanced wireless use. However, a date earlier than March 1, 2007 for integration of DTV tuning capability in 13"-24" TV receivers is not achievable without unacceptable risk of quality problems and needlessly high prices for consumers.
- The U.S. House of Representatives Committee Print released on October 20, 2005, specifies March 1, 2007, as the date for tuners to be included in 13-24" TV receivers. The Commission should adopt the same date.
- The FCC's stated rationale for accelerating this final deadline is to "...advance the date for all TV receivers to include a DTV tuner to a date not later than the statutory target date for the end of the transition" The Senate bill would establish April 7, 2009 as a statutory deadline for cessation of analog broadcasting; the House Committee Print proposed December 31, 2008. A March 1, 2007 DTV tuner deadline for 13"-24" TV sets would afford 22-25 months lead time before the end of analog broadcast transmissions, more than sufficient time for consumers to obtain integrated DTV receivers to accommodate the switch to digital broadcasting, as recognized in the House Committee print and in the bipartisan "SAVE LIVES Act" (S. 1268) introduced by Senators McCain and Lieberman.
- The FCC recognized the importance of adopting achievable deadlines for DTV integration in its *Report and Order*, stating: "It makes little sense to require products to be on the market before the general population of manufacturers can deliver them.... If manufacturers were not able to meet our deadline, they might cease production of [those-sized] sets or switch to monitor products that do not include TV tuners." There is no evidence that a deadline of December 31, 2006, or earlier, would be achievable for any manufacturer, much less for the general population of manufacturers.
- Adding DTV reception capability to an existing TV receiver model involves far more than soldering a single tuner/chip onto a circuit board. DTV integration requires a major re-engineering effort – and in the case of smaller-sized sets, an entirely new chassis – to accept the digital tuner, demodulator and other essential circuitry and related components. There are necessary cabinet modifications, all new reliability and safety testing, and, of course, regulatory approvals (as required for all radio-frequency emitters).
- The FCC and Congress both have recognized the importance of the 18-month manufacturing cycle in every instance where a new television technology has been mandated. Truncating this cycle for integration of DTV tuning capability in 13"-24" receivers would introduce unacceptable levels of complication and risk in terms of both product quality and availability as well as needlessly steep price increases for consumers. It also would be arbitrary and capricious as a matter of law.
- The FCC supports its proposed accelerated December 31, 2006 deadline for DTV integration of 13"-24" TV receivers by asserting that the increased costs associated with DTV integration in those products will be "modest." This is erroneous. Integrating DTV tuning and reception capability will result in substantial increases in the costs of smaller-sized sets, as much as doubling the price of many 13" TVs and other products.